GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:1079
ANSWERED ON:23.11.2007
REFORMS IN POWER SECTOR
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Will the Minister of POWER be pleased to state:

(a) whether any `road map` has been prepared for reforms in the power sector;

(b) if so, the details thereof; and

(c) the extent to which the power transmission and distribution losses are likely to be reduced?

Answer

THE MINISTER OF POWER (SHRI SUSHILKUMAR SHINDE)

(a) & (b) : Government of India signed Memorandum of Understanding (MOU) with all the States for undertaking reforms and restructuring in a time bound manner and linking the support of Government of India for achievement of pre-determined milestones. The salient features of the MOU were as under:

(i) Reform programme by State Government

Reorganization of State Electricity Boards.
100% electrification of villages and hamlets.
Energy audit at all levels.
Setting up of State Electricity Regulatory Commission.
Rationalization of tariffs.

(ii) Support from Government of India

Supply of additional power wherever feasible.
Strengthening & improvement of transmission network by Power Grid Corporation of India Ltd.
Assistance for strengthening and upgradation of sub-transmission and distribution system.
Funding for 100% electrification of village and hamlets.
Concessional financing by Power Finance Corporation for financial restructuring plans, etc.

(c) : The Central Government has built a national consensus to focus on a time bound programme for reduction of Aggregate Technical and Commercial (AT&C) losses. In the Chief Ministers` Conference held under the chairmanship of the Prime Minister on 28th May 2007, a unanimous resolution was adopted which inter alia included the commitment of the States, with appropriate assistance from the Centre, to establish the necessary baseline data and information technology applications for energy accounting and auditing, and for ensuring a resolute elimination of electricity theft. In the Conference, the States committed themselves to achieve and sustain drastic reduction in the overall AT&C losses in the next five years and at least to a level of 15% in the Accelerated Power Development & Reforms Programme (APDRP) project areas.